

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6854

BILL NUMBER: HB 1249

NOTE PREPARED: Jan 30, 2008

BILL AMENDED: Jan 28, 2008

SUBJECT: Tuition Exemption for Purple Heart Recipients.

FIRST AUTHOR: Rep. Klinker

FIRST SPONSOR: Sen. Wyss

BILL STATUS: As Passed House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that an Indiana resident who: (1) enters active duty service in the armed forces of the United States or the Indiana National Guard after September 10, 2001; (2) receives the Purple Heart decoration; (3) suffers a service-connected disability of a least 20%, and (4) satisfies other criteria; is exempt from tuition and fees at state educational institutions if the student is enrolled in an undergraduate program full-time.

The bill requires children of veterans and surviving children or surviving spouse of a National Guard member to be a full time undergraduate in a state educational institution.

Effective Date: Upon Passage; July 1, 2008.

Explanation of State Expenditures: (Revised) The impact would depend on the number of Indiana veterans who entered active service duty after September 10, 2001, and received a Purple Heart and that apply for the tuition and fees exemption after June 30, 2009. The state currently provides the tuition and fees exemption to children of Purple Heart recipients. For FY 2006-2007, 265 students qualified and the average fee exemption was about \$3,363.

According to the Indiana Department of Veterans Affairs, the Indiana National Guard has deployed 9,570 people since 9/11/2001. Of the 9,570 deployed, 63 National Guard members (0.66%) have been awarded Purple Hearts. It is estimated that 30,000 people have been on military active duty from Indiana since 9/11/2001. Assuming approximately the same percentage received a Purple Heart, then about 261 Purple Hearts would have been issued since 9/11/2001.

Assuming a 5% increase in tuition and fees per year and 70% of the estimated 261 Purple Heart recipients had a 20% service-connected disability and took advantage of the benefit, the cost of additional exemptions would be about \$678,000 for FY 2009.

About 320 graduate students and 1,783 part-time undergraduate students of 5,018 children of veterans and surviving children or surviving spouse of a National Guard member received about \$5.3 M of the \$17 M in tuition exemptions benefits for FY 2006-2007. The bill would reduce future tuition exemptions costs.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Educational Institutions, Department of Veterans Affairs.

Local Agencies Affected:

Information Sources: Tom Applegate, Indiana Department of Veterans Affairs, 232-3910, Laurie Gavrin, State Student Assistance Commission, 234-5134.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.